PROVINCE OF SASKATCHEWAN

11-12

ANNUAL REPORT

MINISTRY OF JUSTICE AND ATTORNEY GENERAL

Law Reform Commission
of Saskatchewan

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This annual report is also available in electronic form from the Ministry's website at **www.justice.gov.sk.ca**

Letters of Transmittal

Her Honour the Honourable Vaughn Solomon Schofield,
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I have the honour of submitting the Annual Report of the Law Reform Commission of Saskatchewan for the fiscal year ending March 31, 2012.

Respectfully submitted,

Gordon S. Wyant, Q.C.
Minister of Justice and Attorney General

The Honourable Gordon S. Wyant, Q.C.
Minister of Justice and Attorney General

Dear Sir:

I have the honour of submitting the Annual Report of the Law Reform Commission of Saskatchewan for the fiscal year ending March 31, 2012.

Respectfully submitted,

Donald H. Layh, Q.C.
Chair

About the Commission

Objectives

The Law Reform Commission of Saskatchewan (the Commission) was established by *An Act to Establish a Law Reform Commission*, proclaimed in force in November 1973. The commission began functioning in February 1974.

The Law Reform Commission Act provides that:

> The Commission shall take and keep under review all the law of the province, including statute law, common law and judicial decisions, with a view to its systematic development and reform, including the codification, elimination of anomalies, repeal of obsolete and unnecessary enactments, reduction in the number of separate enactments and generally the simplification and modernization of the law.

Topics for the Commission's research program are brought before meetings of the Commission for consideration. These topics may originate from a recommendation of the Minister of Justice and Attorney General (the Minister), the Commission and its staff, the judiciary, the legal profession, other professional organizations, or the public. Once the research study in a particular project is completed, the matter is placed before the Commission for discussion and consideration. The Commission may decide to issue background papers or tentative proposals for circulation to the public in order to obtain criticism and comment prior to the preparation of a final report. Consultations may entail public meetings, hearings and workshops. The Commission's recommendations are embodied in its final report to the Minister.

The Commission works closely with the Ministry of Justice and Attorney General (the Ministry) in formulating research projects and facilitating adoption of its proposals. The Commission has also made an ongoing contribution on behalf of the province to the national work of the Uniform Law Conference of Canada (ULCC). Commissioners and the Director of Research have served as members of the ULCC for many years.

The Commission is a member of the Federation of Law Reform Agencies of Canada.

Commissioners:

- Mr. Donald H. Layh, Q.C. Chair
  Practising Lawyer
- Ms. Susan Amrud, Q.C.
  Saskatchewan Ministry of Justice and Attorney General
- Professor Ronald C. Cuming, Q.C.
  (Chair 1978-82)
  College of Law
  University of Saskatchewan
- Mr. Kenneth P. R. Hodges, Q.C.
  (Chair 1992-2000)
- The Honourable Georgina R. Jackson
  Justice of the Court of Appeal for Saskatchewan
- Professor Michaela Keet
  College of Law
  University of Saskatchewan
- Mr. Michael Milani, Q.C.
  Practising Lawyer

Contact Information

The Commission may be contacted at:

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15 Campus Drive
SASKATOON SK S7N 5A6

Telephone: (306) 966-1625
Fax: (306) 966-5900

E-mail: director.research@sasklawreform.com

Previous Members of the Commission

- Professor Brian A. Grosman, Q.C.
  (Chair 1974-78)
- Professor R.C.C. Cuming, Q.C.
  (Chair 1978-82)
  Active member of the Commission
- Dr. D.A. Schmeiser, Q.C.
  (Chair 1982-87)
- Mr. Dale Linn, Q.C.
  (Chair 1987-92)
- Mr. Kenneth P.R. Hodges, Q.C.
  (Chair 1992-2000)
  Active member of the Commission
- Ms. Merrilee Rasmussen, Q.C.
  (Chair 2000-08)
- Ms. Kathleen Robertson
  (Chair 2008-09)
- The Honourable E.D. Bayda, Q.C.
  (1974-76)
  Former Chief Justice of the Court of Appeal for Saskatchewan
- Mr. George J.D. Taylor, Q.C.
  (1974-82)
- The Honourable Marjorie A. Gerwing
  (1976-92)
  Justice of the Court of Appeal for Saskatchewan
- Mr. Gordon J. Kuski, Q.C.
  (1982-92)
- The Honourable Gene Anne Smith
  (1992-98)
  Justice of the Court of Appeal for Saskatchewan
- Ms. Gailmarie Anderson
  (1992-2001)
- The Honourable Dianne Morris
  (1992-02)
  Former Judge of the Provincial Court of Saskatchewan
- Mr. Douglas Moen, Q.C.
  (2000-02)
- Mr. Alan McIntyre
  (2000-08)
- The Honourable Robert D. Laing
  (2003-06)
  Justice of the Court of Queen's Bench
- Ms. Sarah Buhler
  (2003-08)
- Ms. Carole Lavallee
  (2003-09)
- Ms. Susan Bates
  (2003-09)

Financial Information

The Law Reform Commission is financed by annual grants from the Government of Saskatchewan and the Law Foundation of Saskatchewan. In the 2011-12 fiscal year, the Commission received a grant of $60,000 from the Government of Saskatchewan (through the Ministry) and a grant of $60,000 from the Law Foundation of Saskatchewan.

Commissioners, other than the judicial and provincial government representatives, receive honoraria from the Law Reform Commission of Saskatchewan based on the Order in Council by which they are appointed. The Chair receives $235 per day when engaged in work of the Commission. Commissioners receive $155 per day. The Director of Research provides services at the rate of $70,000 per annum.

Research Program and Activities

Consideration of Current Law Reform Issues

Community and stakeholder involvement in the consultation process is vital in raising awareness of legal issues and law reform throughout Saskatchewan and Canada. Interested and engaged individuals and groups mean better input into the process of legal reform, resulting in more effective and appropriate recommendations by the Commission.

The Commission's work is directed towards legal reform in the best interests of the people of Saskatchewan. Additionally, the consultation process engages the public and stakeholders in the Commission's work, thereby educating them on the current and proposed state of the law. The Commission's work is driven by research. Local experts in many fields of practice may be engaged. Libraries across the country are richer for having publications by the Commission as part of their in-house materials. Law students have access to these papers through the library system, encouraging the use and maintenance of Saskatchewan's legal knowledge base.

In addition to legislative reforms that might be suggested by the Minister or by legal groups, the Commission seeks the contribution and input of all citizens of the province. Current legal issues are followed and calls to the Commission are encouraged. Next year will focus on securing strategic partnerships with community organizations, the University of Saskatchewan, students, and the public in order to better identify important and developing issues.

Implementation of Recent Projects

The Commission has worked closely with the Ministry in its review of several significant pieces of legislation in recent years, including *The Powers of Attorney Act*, *The Limitations Act*, *The Evidence Act*, and amendments to *The Administration of Estates Act*. The Commission also assisted the Ministry with the finalization of *The Trustee Act, 2009* that is based on its 2002 report, *Proposals for Reform of the Trustee Act* and its 1987 report, *Proposals Relating to the Rules Against Perpetuities and Accumulations*. The new Act came into force on January 1, 2010.

Most recently, amendments to *The Land Titles Act, 2000*, that came into force on March 5, 2012, implement recommendations made in the *Final Report on Private Title Insurance* issued jointly by the Commission and the Manitoba Law Reform Commission.

Specific provisions respecting reverse mortgages were included in *The Mortgage Brokerages and Mortgage Administrators Regulations* that came into force on October 1, 2010, based on the recommendations in the Commission's 2006 *Report on Reverse Mortgages*. This close collaboration will continue respecting the reform of residential foreclosure law, as the Minister has requested that the Commission undertake a project in this area.

In 2009, the Commission issued a consultation paper on administrative penalties. The paper included a discussion of the use of administrative penalties in Saskatchewan, the issues of process and fairness they raise, and suggested ways in which fairness might be ensured. *The Forest Resources Management Amendment Act, 2010* and *The Environmental Management and Protection Act, 2010* both incorporated the tentative recommendations made by the Commission. *The Management and Reduction of Greenhouse Gases Act* and *The Payday Loans Act* also followed the approach outlined in the paper.

Citation of Commission Reports by the Courts

Reports issued by the Commission continue to influence courts across the country in the determination of common law and statutory interpretation. A mark of success for the Commission is the number of times its reports and other publications have been referred to in judicial decisions of Saskatchewan courts and elsewhere in Canada and the Commonwealth. The Commission's work has been referred to 16 times in the past decade in courts across Canada, including two Supreme Court of Canada decisions, one of which is the 2010 landmark decision in *Bank of Montreal v Innovation Credit Union*.

Research Program 2011-12

Completed Projects

Administrative Penalties: A Final Report was issued on this topic. The Commission undertook an examination of administrative penalties to identify ways in which fairness could be ensured. If they are to be an acceptable part of the regulatory framework, administrative penalties must be applied fairly and impartially. As they are imposed without a hearing in a court, and usually without any other formal hearing, other procedural protections must be in place to ensure the process for determining administrative penalties is fair and is seen to be fair.

A consultation paper was issued in 2009. Following its release, two administrative penalty provisions were amended in Saskatchewan legislation to incorporate the tentative recommendations made by the Commission, and two newly created administrative penalties followed the approach taken by the Commission.

The Final Report makes recommendations on appeals of administrative penalties and on minimum procedural rules to be included in statutes that create administrative penalties.

Administrative Appeals: A Final Report was issued on this topic. The report is concerned with appeals to the courts from decisions directly affecting individuals that are made by officials under statutory authorization. Such appeals are usually provided for by statute. The Commission identified a lack of consistency in the form and scope of statutory appeal rights and found that some statutes do not provide for appeals. A consultation paper was issued in June 2009.

The Final Report makes recommendations respecting the right to appeal, grounds of appeal and structure of appeals.

Renewing *The Privacy Act*: A Final Report was issued on this topic. *The Privacy Act* is potentially broad enough to encompass new threats to privacy as they emerge and to fill gaps in more recent privacy legislation until they are addressed. The Commission has considered whether *The Privacy Act* could be improved to better define the scope of the tort to make it a more attractive remedy for invasion of privacy. A consultation paper was issued in June 2009.

The Final Report recommends several changes to the Act that the Commission believes would make it a more effective complement to more specific privacy legislation such as *The Freedom of Information and Protection of Privacy Act*, *The Local Authority Freedom of Information and Protection of Privacy Act*, and *The Health Information Protection Act*. To make the Act part of the province's evolving protection of privacy regime, it may be as important to reaffirm it as to reform it.

Ongoing Work of the Commission

Civil Rights in Seniors' and Special Care Homes: A consultation paper was distributed in August 2010. Minimal response was received, and the paper was "re-released" at the beginning of 2012. The paper focuses on violations of the rights of residents in long-term care, particularly when they do not involve physical abuse, and when they may not be effectively addressed by existing protocols designed to deal with more blatant forms of abuse. The response to the "re-release" was improved and included some meetings with stakeholders. A final report is expected in the following fiscal year.

Needy Person Certificates and Fee Waivers: A consultation paper was released and distributed to interested parties in January 2012. This project was undertaken at the request of Pro Bono Law Saskatchewan and Community Legal Assistance Services for Saskatoon Inner City (CLASSIC). As the costs of litigation and other legal services rise, concern about financial barriers to access to justice is increasing. The consultation paper describes Needy Person Certificates and other fee waiver policies in Saskatchewan courts and tribunals. Problems in the present system are identified and discussed. Consultation responses have been received and a final report is expected in the following fiscal year.

Crown Immunity: The presumption of Crown immunity has been criticized by courts, commentators, and law reform agencies, resulting in the reversal of the presumption in some provinces. A consultation paper is being finalized and is expected to be released and distributed in the fall of 2012. The paper discusses the presumption of Crown immunity and the consequences of reversing it, including discussion of the presumption as it has been interpreted and applied by the courts in Canada; review of the

criticisms of the presumption; and consideration of the effects of reversal of the presumption on the law in Saskatchewan.

Fraudulent Conveyances and Preferences: The Commission is working with the ULCC on these issues. A report on fraudulent conveyances was presented to the ULCC in September 2007. A report respecting fraudulent preferences was completed in August 2008. At its August 2009 meeting, the ULCC adopted policy recommendations regarding fraudulent conveyances prepared by a Working Group. At its August 2010 meeting, the ULCC adopted the Working Group's final report on fraudulent conveyances. In 2011, the ULCC adopted a supplementary report on fraudulent conveyances and a final report on fraudulent preferences.

These reports are available on the Commission's website as follows:

- *Reform of Fraudulent Conveyances and Fraudulent Preferences Law: Part I Transactions at Undervalue* (2007)
- *Reform of Fraudulent Conveyances and Fraudulent Preferences Law: Part II Preferential Transfers* (2008)
- *Progress Report: Reform of Fraudulent Conveyances and Fraudulent Preferences Law* (2009)
- *Transactions at Undervalue and Preferential Transfers: Report on Quebec Law* (2010)
- *Transactions at Undervalue and Preferential Transfers: Final Report* (2010)
- *Reform of Fraudulent Conveyances and Fraudulent Preferences Law: Part 1 Transactions at Undervalue Supplementary Report* (2011)
- *Reform of Fraudulent Conveyances and Fraudulent Preferences Law: Part II Preferential Payments Final Report* (2011)

A Draft Act and commentaries are expected at the ULCC meeting in August 2012.

Commercial Tenancies: This is a joint project with the ULCC. The Commission presented a project proposal at the ULCC's August 2011 meeting, which was accepted. A working group chaired by the Commission's Director of Research, with representation from several provinces, has been formed and discussions are set to begin in the spring of 2012. A detailed progress report is expected at the August 2012 meeting of the ULCC. The working group's task is to modernize and harmonize commercial tenancies law in Canada with a view to creating a comprehensive framework of statute law that will make it easier to do business in Canada, resulting in direct benefits to Canadians and the economy as a whole.

Mortgages & Foreclosures: The Commission received a referral from the Minister to review and recommend changes to Saskatchewan's laws related to residential foreclosure and, in particular, the provisions of *The Land Contracts (Actions) Act*. A background research paper is currently being drafted with respect to the Act. This paper will help the Commission narrow the issues and potentially make tentative proposals in the consultation paper which will follow. On completion of *The Land Contracts (Actions) Act* project, the Commission expects to complete a study, to be titled "Mortgage Law in Saskatchewan: From Charge to Remedies," with the stated objective to create a comprehensive statement of mortgage law in Saskatchewan.

Corporate Fiduciary Services: At present, only trust companies are permitted to act as corporate trustees, executors, and administrators in Canada. In other jurisdictions, including the United States, Britain and other Commonwealth countries, trust and fiduciary services are more widely available and more varied in content. A consultation paper was issued on this topic in 2007, asking "Should corporate trustees and fiduciaries, other than trust companies, be permitted?". The Commission has considered the consultation responses. A final report is expected in the following fiscal year.

Electronic copies of recent Commission publications are available at **www.lawreformcommission.sk.ca.**

Financial Statements

Management's Responsibility for the Financial Statements

Management is responsible for the integrity of the financial information reported by the Commission. Fulfilling this responsibility requires the preparation and presentation of financial statements and other financial information in accordance with generally accepted Canadian accounting principles. These recommendations are consistently applied, with any exceptions specifically described in the financial statements.

The accounting systems used by the Commission include an appropriate system of internal controls to provide reasonable assurance that:

- transactions are authorized;
- the Commission's assets are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other information; and
- the accounts are properly kept and financial reports are properly monitored to ensure reliable information is provided for preparation of financial statements and other financial information.

To ensure management meets its responsibilities for financial reporting and internal control, the members of the Commission discuss audit and reporting matters with representatives of management regularly. The members of the Commission have also reviewed the financial statements with representatives of management.

The Provincial Auditor of Saskatchewan has audited the Commission's statement of financial position as of March 31, 2012, and the related statements of operations and changes in net assets and cash flows for the year then ended.

The Provincial Auditor's responsibility is to express an opinion on the fairness of management's financial statements. The Auditor's Report outlines the scope of the audit and the Provincial Auditor's opinion.

Donald H. Layh, Q.C.

Chair

The financial statements on the following pages provide an account of the financial activities of the Commission for the fiscal year ended March 31, 2012.

LAW REFORM COMMISSION OF SASKATCHEWAN

FINANCIAL STATEMENTS

For the Year Ended March 31, 2012

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Law Reform Commission of Saskatchewan, which comprise the statement of financial position as at March 31, 2012, and the statement of operations and changes in net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Law Reform Commission as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 24, 2012

Bonnie Lysyk, MBA, CA
Provincial Auditor

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Statement 1

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF FINANCIAL POSITION
As at March 31

	2012	2011
ASSETS		
Current		
Cash	$68,634	$44,107
Short-term investments (Note 3)	101,274	100,000
Accounts receivable	147	50
Prepaid expenses	2,062	438
Total Assets	$172,117	$144,595
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$13,766	$1,815
Net Assets		
Unrestricted	57,607	142,780
Internally Restricted	100,744	---
Total Net Assets (Statement 2)	158,351	142,780
Total Liabilities and Net Assets	$172,117	$144,595
Commitments (Note 6)		

(See accompanying notes to the financial statements)

Statement 2

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
Year ended March 31

	2012			2011 (Note 10)
	Operating	Restricted	Total	Total
Revenue				
Ministry of Justice and Attorney General - grant	$60,000	$ ---	$60,000	$60,000
Law Foundation - grant (Note 5)	46,334	---	46,334	---
Interest and miscellaneous	616	1,289	1,905	508
	106,950	1,289	108,239	60,508
Expenses				
Salaries and employee benefits	---	---	---	54,459
Worker's compensation benefit premium	34	---	34	249
Contract labour	74,396	---	74,396	11,670
Conference and travel	5,870	545	6,415	9,716
Consulting fees	---	---	---	4,000
Commissioner's honoraria	1,798	---	1,798	3,362
Office supplies and services	1,363	---	1,363	2,760
Professional fees	1,624	---	1,624	1,378
Office rent	4,067	---	4,067	350
Miscellaneous	2,971	---	2,971	1,285
	92,123	545	92,668	89,229
(Deficit) excess of revenues over expenses	14,827	744	15,571	(28,721)
Net assets, beginning of year	142,780	---	142,780	171,501
Transfers - (Note 8)	(100,000)	100,000	---	---
Net assets, end of year	$57,607	$100,744	$158,351	$142,780

(See accompanying notes to the financial statements)

Statement 3

LAW REFORM COMMISSION OF SASKATCHEWAN
STATEMENT OF CASH FLOWS
Year ended March 31

	2012	2011
Cash flow from (used in) operating activities		
Ministry of Justice and Attorney General - grant	$60,000	$60,000
Law Foundation - grant	60,000	---
Interest and miscellaneous revenue	1,797	920
Cash paid to suppliers and employees	(95,996)	(87,057)
Cash (used in) provided by operating activities	25,801	(26,137)
Cash flows from (used in) investing activities		
Purchase of short-term investments	(101,274)	(100,000)
Proceeds from disposal and redemption of investments	100,000	100,399
Cash provided by (used in) investing Activities	(1,274)	399
(Decrease) increase in cash	24,527	(25,738)
Cash, beginning of year	44,107	69,845
Cash, end of year	$68,634	$44,107

(See accompanying notes to the financial statements)

LAW REFORM COMMISSION OF SASKATCHEWAN
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2012

1. **Incorporation**

The *Law Reform Commission Act* was amended effective November 6, 1987. At that date the Commission became a body corporate and continued the operation of the Law Reform Commission of Saskatchewan.

The purpose of the Commission is to review all the laws of the Province with a view to its systematic development and reform and generally the simplification and modernization of the law.

2. **Significant Accounting Policies**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations and include the following significant accounting policies:

a) Fund Accounting

The Commission utilizes the following funds:

(i) Operating fund

This fund is used for the general operations of the Commission and consists of unrestricted operating funds. All operating transactions are recorded in the accounts of this fund.

(ii) Internally restricted fund

This fund has been internally restricted by the Commission members and is used to provide funds for future research projects and initiatives at the discretion of the Commission. This internally restricted amount is not available for other purposes without approval of the Commission members.

For financial reporting purposes, the Statement of Financial Position combines the assets and liabilities of all funds. The Statement of Operations classifies the revenues and expenses of each fund separately. The Statement of Cash Flows combines operating and investment cash flows.

b) Revenue Recognition

The Commission follows the deferral method of accounting and recognizes unrestricted contributions as revenue when received and receivable.

The Law Foundation grant is intended to cover half of the Commission's current year expenses. Any unused amount of the grant is returnable to the Law Foundation at year end.

c) Financial Instruments

Classification

The Commission's financial instruments and their classification are as follows:

Financial Instruments	Classification
Cash	Held for trading
Short-term investments	Held for trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities

Held for trading financial assets and liabilities are measured at fair value and changes in their fair value are recognized in the Statement of Operations and Changes in Net Assets. Transaction costs are expensed as incurred for financial instruments classified as held-for-trading. Loans and receivables and other financial liabilities are measured at amortized costs. Due to their short-term nature, the amortized cost of these instruments approximates their fair value.

Significant terms and conditions

There are not significant terms and conditions related to the financial instruments that may affect the amount, timing and certainty of future cash flows.

Interest rate risk

The Commission is exposed to interest rate risk when the value of its financial instruments fluctuates due to changes in market interest rates.

The Commission does not have any long-term investments that may be affected by market pressures.

The Commission's receivables and payables are non-interest bearing.

Credit risk

The Commission is exposed to credit risk from potential non-payment of accounts receivable or investment income and principal.

The Commission rarely has accounts receivable. Most of the Commission's receivables are from provincial agencies, federal government and commission members; therefore credit risk is minimal.

All investments are purchased from and held with major banks; therefore, credit risk for investments and related accrued interest receivables is minimal.

d) Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date the financial statements and the reported amounts of revenue and expenses during the period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

e) Future Accounting Policy Change

In September 2010, the Public Sector Accounting Board approved an amendment to the introduction to the Public Sector Accounting Handbook. Effective for fiscal years beginning on or after January 1, 2012, government not-for-profit organizations are directed to use either the public sector accounting standards or public sector accounting standards for government not-for-profit organizations. The Commission is currently assessing the appropriateness and potential impact of the change in accounting standards on its financial statements for the year ending March 31, 2013.

3. Short-term investments

Short-term investments consist of a guaranteed income certificate with an effective interest rate of 1.05% (2011 - 1.3%).

4. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to the Commission by virtue of common control by the Government of Saskatchewan and non-Crown agencies subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as related parties).

Routine operating transactions with related parties are recorded at agreed upon exchange amounts and settled under normal trade terms.

Other related party transactions at year-end are as follows:

	2012	2011
Accounts payable accrued liabilities		
Queens Printer	$ ---	$1,388
Operating revenues		
Ministry of Justice and Attorney General	60,000	60,000
Queens Printer	93	259
Operating expenses		
Saskatchewan Workers' Compensation Board	34	249
Queens Printer	352	1,388
University of Saskatchewan	4,067	350

In addition, the Commission pays Provincial Sales Tax to the Ministry of Finance on all its taxable purchases. Taxes paid are recorded as a part of the cost of those purchases.

5. Law Foundation Grant

The Commission received a grant in 2011-12 from the Law Foundation of Saskatchewan for $60,000 (2010-11 - $0). The Commission utilized $46,334 of the grant to cover expenses and will return the remaining $13,666 to the Foundation.

6. Commitments

The Commission has entered into an agreement to lease office space from the University of Saskatchewan. The lease is for a period of 2 years, expiring on February 28, 2013. The future minimum lease payments, in each fiscal year, are as follows:

2012-13	$3,667

7. Budget

The Commission approved the 2011-12 budget on March 2, 2011.

8. Internally Restricted Funds

In 2011-12 the Commission set up internally restricted funds. The funds will be used for future research projects and initiatives at the discretion of the Commission. This internally restricted amount is not available for other purposes without approval of the Commission members.

9. Contingencies

The Commission has a service agreement with an individual to work in the Commission's offices during normal office hours. The Commission strongly believes that the contract worker is not its employee. In the event that the contractor is deemed to be an employee the Commission would be liable for employer's portion of CPP and EI contributions totaling approximately $5,600 and would record this expense at that time.

10. Comparative Figures

Certain of the comparative figures have been reclassified to conform to the current year's presentation.